

**MINUTES  
of the  
FIRST MEETING  
of the  
MORTGAGE FINANCE AUTHORITY ACT OVERSIGHT COMMITTEE**

**June 20, 2006  
Mortgage Finance Authority Office  
344 Fourth Street SW  
Albuquerque, New Mexico**

The first meeting of the Mortgage Finance Authority (MFA) Act Oversight Committee was called to order by Representative Fred Luna, chair, on June 20, 2006 at 10:10 a.m.

**Present**

Rep. Fred Luna, Chair  
Sen. Nancy Rodriguez, Vice Chair  
Rep. Thomas A. Anderson  
Sen. Mark Boitano  
Sen. Leonard Lee Rawson  
Rep. Harriet I. Ruiz  
Rep. Teresa A. Zanetti

**Absent**

Sen. Cisco McSorley

**Advisory Members**

Rep. Daniel R. Foley  
Rep. Roberto "Bobby" J. Gonzales  
Sen. John T.L. Grubestic  
Sen. Richard C. Martinez  
Rep. Daniel P. Silva

Sen. Phil A. Griego  
Sen. Steven P. Neville  
Sen. H. Diane Snyder

**Staff**

Ramona Schmidt

**MFA Staff**

Jay Czar  
Sandra Marez  
Lionel Holguin  
Erin Quinn

**Guests**

The guest list is in the meeting file.

## **Tuesday, June 20**

Committee members introduced themselves to the audience members.

Jay Czar, executive director, introduced the MFA staff and reviewed recent organization changes. Erin Quinn presented an overview of the MFA 2006 handbook, which includes a review of the MFA board of directors, the MFA organizational chart, the MFA mandate, mission, vision and core values, MFA rules and regulations, the MFA strategic plan/dashboard, estimated resources available to MFA, single family, multifamily and targeted initiatives and production sheets.

Representative Luna asked committee members to review the proposed calendar. The committee discussed the meeting schedule and approved the dates as proposed with the exception of the September date. The committee requested the September meeting be moved to September 5 or 7. It is the committee's preference to hold all meetings in Albuquerque. The scheduled meetings will begin at 10:00 a.m. at the MFA Office in Albuquerque.

MFA staff reviewed the housing-related legislation that was enacted during the 2006 legislative session, including House Joint Resolution 8, the constitutional amendment for affordable housing.

Senator Rawson addressed concern with Smiley Gallegos being appointed to the New Mexico Housing Trust Fund Advisory Committee due to a perceived conflict caused by his role as executive director of the Region III Housing Authority. It was noted the Region III Housing Authority recently defaulted on \$2.5 million of bonds that the State Investment Council purchased. Senator Rawson requested a letter be sent to the speaker asking that Mr. Gallegos be removed from his role as an appointee to the advisory committee. A motion was duly made supporting submission of the letter, which was seconded and unanimously adopted.

Senator Boitano asked if MFA has reviewed zoning ordinances' effect on affordability of housing and suggested that MFA look at the feasibility of loans on manufactured housing on permanent foundations that would be considered real estate. Ms. Quinn stated she was unaware of any study on zoning ordinances and their effect on the affordability of housing and suggested adding it to the work plan if the committee so desires. She noted that manufactured housing attached to a permanent foundation does qualify for financing under MFA programs if it meets secondary market underwriting guidelines.

Discussion occurred regarding the anti-donation clause and the effect on a number of affordable housing programs, including the Hero Program. Ms. Quinn reviewed the five main areas of the strategic plan and their objectives as established by MFA staff. She noted the staff reviews each area monthly for objectives and designates whether the areas are marked as "on target" or "caution".

Mr. Holguin reviewed the final report of the legislative bills from the 2006 legislative session. David Schmidt addressed the committee regarding the funding for homeless programs

and stated the past session saw more legislators asking for specific funding for the homeless programs in the communities of their specific districts, which results in less coordinated effort throughout the state. Representative Foley suggested homeless programs be set up to go through MFA rather than to a state agency.

Committee members discussed the coordination of funding of programs that fall under the purview of the MFA and the possibility of MFA functioning as a clearinghouse for those funds. Also addressed was the difficulty of money going directly to the programs that have been funded and the variances in time that the funds are received throughout districts in the state.

Ms. Quinn reviewed the current funding for the Housing Trust Fund and stated a more comprehensive report will be presented before the committee regarding the Housing Trust Fund. Mr. Holguin reminded committee members that when the MFA asks for support, it is an investment into economic development as opposed to a handout, since all investments come back to the state. Representative Gonzales stated that when addressing legislation with affordable housing, the committee and staff should also consider affordable land in conjunction with different programs. Senator Rodriguez noted the importance of the committee members' support for HJR 8, which would allow the state more options in providing affordable housing.

Ms. Quinn reviewed upcoming town hall meetings offered by the MFA throughout the state. She noted the meetings will involve all pertinent impacted entities to be involved in frank discussions addressing housing-related issues. Representative Gonzales asked that legislators be involved when looking at areas for the next year for future town hall meetings. Committee members requested that if MFA staff are going to be in a legislator's district, they should notify the legislator ahead of time.

Senator Rodriguez asked Ms. Schmidt to request the Legislative Council to approve per diem for any voting or advisory member who attends any of the town hall meetings, and that this per diem be separate from the per diem granted for the Sixth Biennial Governor's Housing Summit.

Proposed issues for the work plan were reviewed by Ms. Quinn and included the constitutional amendment proposed by HJR 8, the Housing Trust Fund, the affordable housing tax credit update, the workforce housing development update and a proposed amendment to the New Mexico Interagency Behavioral Health Purchasing Collaborative/Supportive Housing Statute. Senator Rodriguez asked if committee members had any other specific issues to add to the work plan.

There being no further business, the committee adjourned at 11:57 a.m. after a motion duly made, seconded and unanimously adopted.

Materials distributed at the meeting are in the meeting file in the Legislative Council Service library.